

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1687 - SB 1980

April 3, 2009

SUMMARY OF BILL: Substitutes the current method of calculating unemployment benefits, based upon a base period, for a new method based upon a base year. Extends unemployment benefits for an additional 26 weeks if the claimant is in an approved job training program. Authorizes unemployment benefits to individuals seeking part-time work for a minimum of 20 hours per week.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures \$3,634,300/One-Time
\$55,880,000/Recurring
Unemployment Insurance Trust Fund**

**Increase State Revenue - \$141,000,000/
One-Time/
Unemployment Insurance Trust Fund**

Increase Federal Expenditures - \$144,634,300/One-Time

Assumptions:

- According to the Department of Labor and Workforce Development (LWFD), one-time costs for systems changes to implement the provisions of the bill are estimated to be approximately \$3,634,300.
- According to analysis of 2008 unemployment claims by LWFD the state will pay approximately \$55,880,000 more in unemployment claims annually based upon the provisions of the bill.
- The state will be eligible for a federal grant for implementation of the Unemployment Modernization Plan. It is estimated that the state will receive approximately \$141,000,000 from such grant funds.
- According to LWFD, the \$3,634,300 for systems changes will be paid for through a grant from the federal government.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/cce